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STATE OF WISCONSIN BEFORE THE REAL ESTATE BOARD

IN THE MATTER OF DISCIPLINARY
PROCEEDINGS AGAINST

MICHAEL S. PETERSON,
RESPONDENTS.

FINAL DECISION AND ORDER

89 REB 104

89 REB 106

The parties to this action for the purposes of Wis. Stats. sec. 227.53 are:

Michael S. Peterson
5371 Mariners Cove Drive
Madison, WI 53704

Wisconsin Real Estate Board
P.O. Box 8935
Madison, WI 53708-8935

Department of Regulation and Licensing
Division of Enforcement
P.O. Box 8935
Madison, WI 53708-8935

The parties in this matter agree to the terms and conditions of the attached Stipulation as the final disposition of this matter, subject to the approval of the Board. The Board has reviewed this Stipulation and considers it acceptable.

Accordingly, the Board in this matter adopts the attached Stipulation and makes the following:

FINDINGS OF FACT

1. Michael S. Peterson ("Peterson"), 5371 Mariner's Cove Drive, Madison, WI 53704 is and was at all times relevant to the facts set forth herein a real estate broker licensed to practice in the State of Wisconsin pursuant to license #37555, granted on April 22, 1986.

2. Linda L. Peterson, 4817 Sheboygan Avenue, Apt. 420, Madison, WI 53705, is and was at all times relevant to the facts set forth herein a real estate broker licensed to practice in the State of Wisconsin pursuant to license #43304, granted on May 17, 1988.

3. At all times relevant to the facts set forth herein, Michael S. Peterson, and Linda L. Peterson, were affiliated with Blue Water Development Co., Inc., and Lighthouse Cove, Ltd.

4. Peterson and Linda L. Peterson marketed condominium properties for Blue Water Development Co., Inc., and Lighthouse Cove, Ltd. These condominium properties were located in the Lake Delton, Wisconsin area. These properties will sometimes be referred to as "the development" in this Decision.

5. At the times relevant to the facts set forth in this matter, Blue Water Development Co., Inc. was not licensed as a real estate broker. Blue Water Development Co. of Wisconsin, Inc. is now licensed as a real estate corporation, license #833988, having an address of 5371 Mariner's Cove Drive, Madison, WI 53704, which license was first granted July 20, 1990.

6. On or about October 3, 1989, Patrick Lynch, an auditor with the Department of Regulation and Licensing, Division of Enforcement, audited the real estate records of Peterson, including his real estate trust account records.

COUNT I

7. Paragraphs 1 through 6 of this Decision are realleged and incorporated by reference herein as if fully set forth at length.

8. The real estate trust account of Peterson was short in the amount of \$9,010 as of August 31, 1989, in that it should have contained the sum of \$31,500 and only contained the sum of \$24,490.

COUNT II

9. Paragraphs 1 through 6 of this Decision are realleged and incorporated by reference herein as if fully set forth at length.

10. On or about October 18, 1988, Linda L. Peterson drafted and submitted an Offer to Purchase on behalf of Isadore Flores and Joan Flores for the purchase of a condominium unit #202 in building #2 of Lighthouse Cove ("Flores' Offer"). The Flores' offer provided in part:

- a. A purchase price of \$60,000.
- b. Earnest money of \$2,000 tendered with the Flores' Offer.
- c. The following financing contingency: "This Offer is contingent upon buyer obtaining financing approval within 60 days from the acceptance of this Offer. If financing is not obtained, the seller will refund the \$2,000 earnest money deposit and this contract is null and void."
- d. No provision for other terms and conditions relating to the financing contingencies such as provisions relating to the amount of the loan, the interest rate and the amortization period for the loan.
- e. No provision or other terms and conditions relating to buyers' notification to seller in the event that buyer was unable to obtain financing.
- f. No date by which an accepted Offer was to be delivered to create a binding agreement, the Offer providing that without timely delivery, it would be void.
- g. Disbursement of earnest money was provided in the manner set forth below:

"If the transaction fails to close and the parties fail to agree on disposition of earnest money, any earnest money held by broker shall be disbursed as follows:

1. To Buyer, if Seller notifies Buyer and broker in writing no later than 15 days after the earlier of the Buyer's written demand for return of the earnest money or the date set for closing, that Seller elects to consider the earnest money as liquidated damages or partial payment for a specific performance.
2. To Seller, subject to amounts payable to broker, provided the above notice is given and neither party commences a lawsuit on this matter within 30 days after receipt of notice."

(This provision for disbursement of earnest money will hereinafter be referred to as the "standard disbursement provision.")

h. A closing date of on or before April 20, 1989.

11. On October 8, 1988, the Floreses' offer was presented and accepted by Peterson acting as the agent of the owner of the condominium.

12. Prior to the expiration of the financing contingency and following notice that the Floreses had been denied a loan by First National Bank of Portage, the parties agreed to extend the period during which financing could be obtained from December 10, 1988 to January 10, 1989, and reduced the agreement to writing in an Amendment to the Contract of Sale, dated November 17, 1988.

13. On January 10, 1989, Linda L. Peterson was orally advised by the Floreses that Floreses were unable to obtain financing and the Floreses requested a refund of their \$2,000 earnest money.

14. By letter, dated January 11, 1989, the Floreses notified Peterson that the Floreses were unable to obtain financing and the Floreses requested a refund of their earnest money of \$2,000.

15. On or about April 10, 1989, Peterson disbursed the \$2,000 Flores earnest money. This disbursement was made by telephone-initiated, debit memoranda, authorizing \$1,000 to be paid to Blue Water Development Co., Inc. and \$1,000 to Lighthouse Cove, Ltd.

16. Prior to Peterson's disbursement of the earnest money, no notice was given to the Flores regarding the claim by Bluewater Development., Inc. or Lighthouse Cove, Ltd. to the earnest money.

COUNT III

17. Paragraphs 1 through 6 of this Decision are realleged as if fully set forth at length.

18. On or about November 7, 1988, Peterson drafted and submitted an offer to purchase condominium unit #106 in building One of Lighthouse Cove on

behalf of Noelle N. Alcock ("Alcock Offer"). The Alcock Offer was accepted by Michael S. Peterson as agent for the owner of the condominium. The Alcock Offer provided, in part:

- a. A purchase price of \$81,000.
 - b. Earnest money of \$2,000 tendered with the Alcock Offer.
 - c. The following financing contingency: "This Offer is subject to a 30 day financing contingency with all earnest money to be returned to Buyer if financing is not obtained through First National Bank of Portage or other favorable lender within 30 days from acceptance of this Offer."
 - d. The Offer contained no other provision regarding the terms and conditions for the financing contingency, including the amount of the loan, the interest rate and the amortization period.
 - e. No provision for the terms and conditions relating to Buyer's notification to Seller in the event that Buyer was unable to obtain financing.
 - f. Delivery of an accepted Offer to the Buyer on or about November 11, 1988, the Offer providing that without timely delivery, the Offer is void and all earnest money was to be promptly returned to Buyer.
 - g. Disbursement of earnest money was provided in the manner set forth in the "standard disbursement provision."
 - h. A closing date of on or before December 5, 1988.
19. On or about December 3, 1988, Peterson presented and accepted the Offer on behalf of the owner.
20. Peterson signed the earnest money receipt in the name of Michael S. Peterson, Blue Water Development Co., Inc. acknowledging receipt of the \$2,000 earnest money from Alcock.
21. Peterson amended the Alcock financing contingency to 45 days and changed the closing date to February 1, 1989, by crossing out provisions on the original Offer to Purchase and failed to use the standard of Amendment to Contract form approved by the Department of Regulation and Licensing.
22. Alcock notified Peterson, by letter dated January 9, 1989, that Alcock had been unable to obtain financing which met the requirements of the financing contingency. This letter indicated to Peterson that Alcock requested return of his earnest money.
23. On or about March 1, 1989, Peterson disbursed the \$2,000 Alcock earnest money by telephone-initiated, debit memorandum, to Blue Water Development Co., Inc.
24. Prior to Peterson's disbursement of Alcock's \$2,000 earnest money, Peterson failed to provide written notice to Alcock regarding the claim of Blue Water Development Co., Inc., to the earnest money pursuant to the standard disbursement provision.

COUNT IV

25. Paragraphs 1 through 6 of this Decision are realleged as if fully set forth at length.

26. On or about January 26, 1989, Linda L. Peterson drafted and submitted on behalf of Ronald Sersland an offer to purchase condominium unit #618 in building #600 of Lighthouse Cove ("Sersland Offer").

27. The Sersland Offer was accepted on January 26, 1989, by Michael S. Peterson signing on behalf of the Seller providing at line 168 of the Sersland Offer his personal Social Security number as being the Seller's Social Security number.

28. The Sersland Offer provided, in part:

a. A purchase price of \$101,000;

b. Earnest money of \$1,000 tendered with the Sersland Offer and an additional \$2,000 to be paid within 21 days of acceptance.

c. The following financing contingency: "This Offer is contingent upon Buyer obtaining a financing commitment within 60 days from acceptance of this Offer. If financing is not obtained, all earnest money will be returned to the Buyer and this contract will be null and void."

d. No provision for notification by the Buyer to Seller in the event that financing was not obtained by the Buyer.

e. Disbursement of earnest money was provided for in the manner set forth in this "standard disbursement provision."

f. A closing date scheduled for on or before July 1, 1989.

29. Linda L. Peterson, by letter dated March 15, 1989, notified Sersland of the following:

"This letter is in response to my last follow up inquiry to you, at which time you stated that your intentions were not to proceed with the purchase of unit 618 at Lighthouse Cove.

As you know, the contract contains a 60 day financing contingency. At this time, you have not been denied financing, you have instead decided not to proceed with the purchase for other reasons.

It is the position of Mike Peterson and myself, that your earnest money deposit be considered as liquidated damages and disbursed to Lighthouse Cove, Ltd."

30. On April 10, 1989, Peterson disbursed the Sersland earnest money to Blue Water Development Co., Inc., by telephone initiated debit memorandum.

COUNT V

31. Paragraphs 1 through 6 of this Decision are realleged as if fully set forth at length.

32. On or about June 9, 1988, Peterson drafted a residential condominium Offer to Purchase on behalf of Melvin B. Raskin and Keith A. Raskin ("Raskin Offer"). This was an offer to purchase unit #208 in building #2 of Lighthouse Cove Condominium.

33. The Raskin Offer provided offer in part:

- a. A purchase price of \$67,000.
- b. Earnest money of \$1,000 tendered with the Raskin Offer.
- c. The following financing contingency at line 36: "Subject to financing approval".
- d. The Offer contained no further provision reciting the terms and conditions relating to the financing contingency, including provisions regarding the amount of the loan, the interest rate and the amortization.
- e. The Raskin Offer provided no terms relating to Buyers' notification of Seller in the event that financing was not obtained.
- f. The provision for disbursement of earnest money was set forth in the standard disbursement provision.
- g. There was no date by which an accepted offer was to be delivered to create a binding agreement nor any address for the place of delivery. The offer provided that without timely delivery, it would be void.
- h. A closing date of on or before August 1, 1988.

34. On or about June 9, 1988, Michael S. Peterson accepted the offer on behalf of the Seller setting forth that he was a "broker" and stating his personal Social Security number of 351-52-2886.

35. Peterson signed the earnest money receipt in the name of Michael S. Peterson on behalf of Blue Water Development Co., Inc.

36. At some time between June 9, 1988, and January 27, 1989, the purchase price in the Raskin Offer was reduced to \$65,500. Peterson failed to set forth in writing this amendment to the purchase price.

37. Peterson, by letter dated January 27, 1989, notified the Raskins that he was forfeiting the \$1,000 of earnest money as liquidated damages for the reason that the Raskins failed to proceed with the closing of the transaction.

38. On or about May 12, 1989, Peterson disbursed the \$1,000 earnest money by telephone initiated, debit memorandum to Blue Water Development Co., Inc.

COUNT VI

39. Paragraphs 1 through 6 of this Decision are realleged as if fully set forth at length.

40. On or about August 27, 1988, Peterson drafted on behalf of Robert J. Rodde and Linda S. Rodde a residential condominium offer to purchase ("Rodde Offer to Purchase") which offered to purchase condominium unit #106 in building #2 in Lighthouse Cove Condominium.

41. The Rodde Offer to Purchase provided in part:

- a. A purchase price of \$79,500.
- b. Earnest money of \$2,000 tendered with the Offer.
- c. The following financing contingency: "This Offer is subject to 45 day financing approval."
- d. The Rodde Offer provided no further terms relating to the financing contingency such as the amount of the loan, the interest rate and the amortization.
- e. The Rodde Offer provided no further terms and conditions relating to Buyer's notification of Seller in the event that financing was not obtained.
- f. The disbursement of earnest money in this Offer was set forth in the standard disbursement provision.
- g. A closing date was set of on or before August 31, 1988.

42. On or about August 27, 1988, Michael S. Peterson accepted the offer as the "seller" and set forth the seller's Social Security number as being his personal number of 351-52-2886.

43. Peterson signed the earnest money receipt on behalf of Michael S. Peterson, Blue Water Development Co., Inc.

44. The Roddes' were unable to obtain financing for the purchase of the property described in the Rodde Offer to Purchase and Peterson was notified of the Rodde inability to obtain financing for this purchase.

45. Subsequent to the scheduled closing date, Peterson issued a check in the amount of \$2,000 to the Roddes. Peterson subsequently stopped payment on this check and negotiated a disbursement of earnest money as follows: \$1,000 to the Roddes and \$1,000.00 to Blue Water Development Co., Inc.

46. On or about April 18, 1989, Peterson disbursed \$1,000 of the earnest money as described in paragraph 45 above to Blue Water Development Co., Inc. by transferring \$1,000 from his trust account through a telephone initiated, debit memorandum.

COUNT VII

47. Paragraphs 1 through 6 of this Decision are realleged and incorporated by reference herein as if fully set forth at length.

48. On or about May 30, 1988, Peterson drafted a residential condominium Offer to Purchase on behalf of Wayne J. Young and Candace Young ("Young Offer") for the purpose of purchasing 530 E. Hiawatha Drive in the Village of Lake Delton, County of Sauk, a unit yet to be assigned a number in building #2 in the Lighthouse Cove Condominium project.

49. The Young Offer provided in part:

- a. A purchase price of \$79,900.
- b. Earnest money of \$3,000 tendered with the offer.
- c. Disbursement of earnest money as provided in the standard disbursement provision.
- d. A closing date for on or before June 30, 1988.

50. On or about May 30, 1988, the Young Offer was accepted by Michael S. Peterson, the "seller" and Peterson set forth his seller's Social Security number as being 351-52-2886.

51. On or about May 30, 1988, Peterson signed the earnest money receipt on behalf of Mike Peterson-Blue Water Development Co., Inc.

52. The transaction failed to close because the completion of the construction of the unit being purchased by the Youngs was not completed until October 1988.

53. Thereafter Peterson retained the earnest money without giving written notice pursuant to the standard disbursement provision.

54. On or about May 3, 1989, Peterson transferred the Young earnest money to Blue Water Development Co., Inc. by telephone initiated, debit memorandum.

55. On or about August 10, 1989, Peterson issued to Young a check from the trust account in the amount of \$3,000, without having refunded, from Blue Water Development Co., Inc., the \$3,000 to the Peterson trust account.

56. On or about October 2, 1989, Peterson and/or Blue Water Development Co., Inc. reimbursed the Peterson trust account for \$3,000 which was missing as a consequence of the August 10, 1989 disbursement.

COUNT VIII

57. Paragraphs 1 through 56 of this Decision are realleged as if fully set forth at length.

58. On the occasions set forth below, Peterson issued checks or otherwise withdrew funds from his real estate trust account without sufficient funds being available:

a. In the Raskin transaction set forth in Count V, the trust account was overdrawn in the amount of \$2,000 for the period between May 12, 1989 and October 10, 1989.

b. In the Young transaction set forth in Count VII, the trust account was overdrawn in the amount of \$3,000 for the period between May 3, 1989 and October 2, 1989.

c. In an unidentified transaction shown on the journals maintained by Peterson, the trust account was overdrawn in the amount of \$2,000 for a period from May 19, 1989 and October 2, 1989.

d. In a transaction referred to by Peterson as the "Hickstein" transaction, the trust account was overdrawn in the amount of \$2,000 for the period between February 7, 1989 through October 6, 1989.

59. During 1988 and up to the time that the Regulation and Licensing audit took place, Peterson failed to prepare or have prepared accurate journal and ledger entries, monthly reconciliations, and supporting trial balances of his real estate trust account. Peterson further failed to review the reconciled account statements and balances, the open ledger account listings and a journal running balance to ensure that all of his real estate trust account records were valid and in agreement as of the date that the account statement should have been reconciled, which is on a monthly basis.

COUNT IX

60. Paragraphs 1 through 59 of this Decision are realleged herein as if fully set forth at length.

61. During 1988 and 1989, Blue Water Development Co., Inc., and Lighthouse Cove, Ltd., engaged in the business of selling real estate by developing and marketing condominium property in the development while neither corporation was licensed as Wisconsin real estate corporations pursuant to Chapter 452, Wis. Stats.

62. During 1988 and 1989, Peterson assisted Blue Water Development Co., Inc., and Lighthouse Cove, Ltd., in the developing and marketing of the condominium property in the development. At no time during 1988 and 1989 did Peterson have a listing contract with either of these entities.

COUNT X

63. Paragraphs 1 through 6, 10 through 16 and 26 through 30 of this Decision are realleged and incorporated by reference herein as if fully set forth at length.

64. By Order dated June 28, 1990, the Real Estate Board publicly Reprimanded Linda L. Peterson for violating Sec. 452.14(3)(i) Wis. Stats. and Sec. RL 24.08, Wis Adm. Code, in case 89 REB 104 for her incompetency in drafting both the Sersland Offer and the Flores' Offer.

65. Linda L. Peterson's drafting of both the Sersland Offer and the Flores' Offer was done under the supervision of Peterson.

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Board has jurisdiction to act in this matter pursuant to sec. 452.14, Wis. Stats.

2. The Wisconsin Real Estate Board is authorized to enter into the attached Stipulation pursuant to sec. 227.44(5), Wis. Stats.

3. Respondent Michael S. Peterson has violated:

a. Section 452.14(3)(i), Wis. Stats., and Secs. RL24.03(2)(b) and (c), RL 24.08 and RL 16.04(1), Wis. Adm. Code, by his incompetency in failing to include essential terms and conditions in financing contingencies he drafted and in failing to reduce to writing the exact agreement concerning methods for notification concerning a denial of financing and by his failing to reduce to writing the exact agreement to list property owned by Blue Water Development Co., Inc. and/or Lighthouse Cove, Ltd.

b. Section 452.14(3)(i), Wis. Stats., and Secs. RL 16.04(1) and 24.08, Wis. Adm. Code, by making amendments to terms and conditions of a contract of sale in an unapproved manner.

c. Section 452.14(3)(h), Wis. Stats., by failing within a reasonable time to account for or remit monies coming into his possession as a broker of which monies belonged to another person.

d. Section 452.14(3)(i), Wis. Stats., and Sec. RL 18.09(2), Wis. Adm. Code, by disbursing earnest money from his real estate trust account contrary to the terms of a contract.

e. Section 452.14(3)(i), Wis. Stats., and Sec. RL 18.09(4), Wis. Adm. Code, by disbursing earnest money without providing 30 day notification to the parties involved in the transaction, which notification would have stated to whom and when the disbursement would occur, as set forth in the standard disbursement provision.

f. Section 452.14(3)(i), Wis. Stats., and Sec. RL 18.13, Wis. Adm. Code, by failing to maintain accurate bookkeeping records, failing to prepare or have prepared accurate journal and ledger entries, monthly reconciliations, supporting trial balances, and further failing to review the reconciled account statement balance, the open ledger account listing and the journal running balance of his real estate trust account and to ensure that all of these records are valid and in agreement as of the date the account statement has been reconciled.

g. Section 452.14(3)(i), Wis. Stats., and Sec. RL 24.15, Wis. Adm. Code, by his incompetency in issuing checks upon a business or trust account which contains insufficient funds.

h. Section RL 17.08, Wis. Adm. Code, by failing to adequately supervise the activities of Linda L. Peterson.

i. Section 452.14(3)(i), Wis. Stats., and sec. RL 18.04, Wis. Adm. Code, by disbursing funds from a real estate trust account by means other than check, share draft or draft drawn upon a broker's real estate trust account.

j. Section 452.14(3)(i), Wis. Stats. and sec. RL 24.17(1), Wis. Adm. Code, by aiding and abetting the unlicensed practice as a real estate broker of Blue Water Development Co., Inc.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that the attached Stipulation is accepted.

IT IS FURTHER ORDERED, that the real estate broker's license of Michael S. Peterson, license #37555, is **SUSPENDED**, effective on the 15th day of November 1992 and continuing for three months, until February 15, 1993.

IT IS FURTHER ORDERED, that Respondent, prior to February 15, 1993, successfully complete one of the following course modules from the real estate broker's course at an education institution approved by the Department of Regulation and Licensing:

- a. The four (4) hour Personnel module; or
- b. The five (5) hour Consumer Protection module; or
- c. The four (4) hour Business Ethics for real estate brokers module.

and submit proof of the same in the form of verification from the institution providing the education to the Real Estate Board, P.O. Box 8935, Madison, Wisconsin 53708-8935. None of the education completed pursuant to this requirement may be used to satisfy any continuing education requirements that are or may be instituted by the Board or the Department of Regulation and Licensing.

IT IS FURTHER ORDERED, that Respondent pay the partial costs of these proceedings in the amount of \$2,000 within thirty (30) days of the date of this Order by making payment of the same to the Department of Regulation and Licensing, P.O. Box 8935, Madison, WI 53708-8935.

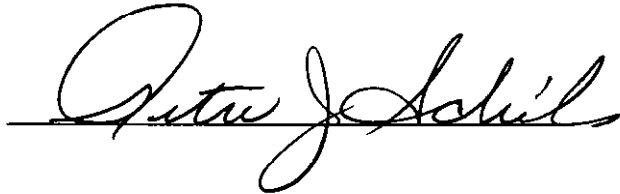
IT IS FURTHER ORDERED, that in the event Respondent Michael S. Peterson fails to comply with the required education as set forth above, or fails to verify the same to the Department of Regulation and Licensing as set forth above, or fails to pay the partial costs to the Department of Regulation and Licensing as set forth above, then his license #37555 shall be suspended until he has complied with the terms of this Order.

IT IS FURTHER ORDERED, that investigative files 89 REB 104 and 89 REB 106 be, and hereby are closed.

Dated this 25th day of JUNE, 1992.

WISCONSIN REAL ESTATE BOARD

By:

A handwritten signature in cursive script, appearing to read "Peter J. Schil", written over a horizontal line.

ATY2-1157
5/11/92

STATE OF WISCONSIN
BEFORE THE REAL ESTATE BOARD

IN THE MATTER OF THE DISCIPLINARY	:	
PROCEEDING AGAINST	:	STIPULATION
	:	89 REB 104
MICHAEL S. PETERSON,	:	89 REB 106
RESPONDENT.	:	

It is hereby stipulated between Michael S. Peterson, personally on his behalf, and by his attorney, Roderick J. Matthews, and the Department of Regulation and Licensing, Division of Enforcement, by its attorney, Charles J. Howden, as follows:

1. This Stipulation is entered into as a result of a pending formal complaint against Michael S. Peterson ("Respondent") brought by the Division of Enforcement (89 REB 104, 89 REB 106). Respondent consents to the resolution of this complaint by stipulation and without hearing. A formal hearing is now set for October 1992 and the Respondent waives his right to this hearing, if this stipulation is approved by the Board.

2. Respondent understands that by the signing of this Stipulation he voluntarily and knowingly waives his rights, including: the right to a hearing on the allegations against him, at which time the State has the burden of proving those allegations; the right to confront and cross-examine the witnesses against him; the right to call witnesses on his behalf and to compel their attendance by subpoena; the right to testify himself; the right to file objections to any proposed decision and to present briefs or oral arguments to the officials who are to render the final decision; the right to petition for rehearing; and all other applicable rights afforded to him under the United States Constitution, the Wisconsin Constitution, the Wisconsin Statutes, and the Wisconsin Administrative Code.

3. Respondent voluntarily and knowingly waives the rights set forth in paragraph 2 above, on the condition that all of the provisions of this Stipulation are approved by the Board.

4. This stipulation shall be submitted to the Real Estate Board to form the basis for the Final Decision and Order in this matter.

5. With respect to the attached Final Decision and Order, Respondent admits the facts set forth in the Findings of Fact, and further agrees that the Board may reach the conclusions set forth in the Conclusions of Law and may enter the Order suspending the broker's license of the Respondent, requiring education of the Respondent and imposing costs as set forth in the Order.

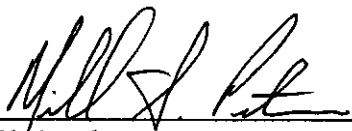
6. If the terms of this Stipulation are not acceptable to the Board, the parties shall not be bound by the contents of this Stipulation, and the matter shall be returned to the Division of Enforcement for further proceedings. In

the event that the Stipulation is not accepted by the Board, the parties agree not to contend that the Board has been prejudiced or biased in any manner by the consideration of this attempt to resolve this case by Stipulation. The parties agree that in the event this stipulation is not accepted by the board, neither this stipulation nor the previous stipulation of the parties shall not be used against the Respondent in any further proceedings.

7. If the Board accepts the terms of this Stipulation, the parties to the Stipulation consent to the entry of the attached Final Decision and Order without further notice, pleading, appearance or consent of the parties.

8. Respondent agrees that Complainant's attorney, Charles J. Howden, may appear at any deliberative meeting of the Board with respect to the Stipulation but that his appearance is limited to statements in support of the Stipulation and to answer any questions the Board may have.


9. The Division of Enforcement joins Respondent in recommending the Board adopt this Stipulation and issue the attached Final Decision and Order. In making this recommendation, the Division of Enforcement acknowledges that a compliance audit was done to the Respondent's real estate trust account and a sampling of his files in April, 1992. Auditor Schmitt reviewed a period of 15 months of bank records and files. This audit found that Respondent is now in full compliance of all trust account, earnest money and document drafting requirements of the Real Estate Board and the Department of Regulation and Licensing.



Michael S. Peterson, Respondent

5-18-92

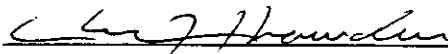
Date



Roderick J. Matthews
Attorney for Michael S. Peterson

5-18-92

Date



Charles J. Howden, Attorney
Division of Enforcement

5/13/92

Date

ATY2-1156
May 11, 1992

NOTICE OF APPEAL INFORMATION

(Notice of Rights for Rehearing or Judicial Review,
the times allowed for each, and the identification
of the party to be named as respondent)

The following notice is served on you as part of the final decision:

1. Rehearing.

Any person aggrieved by this order may petition for a rehearing within 20 days of the service of this decision, as provided in section 227.49 of the Wisconsin Statutes, a copy of which is attached. The 20 day period commences the day after personal service or mailing of this decision. (The date of mailing of this decision is shown below.) The petition for rehearing should be filed with the State of Wisconsin Board of Real Estate.

A petition for rehearing is not a prerequisite for appeal directly to circuit court through a petition for judicial review.

2. Judicial Review.

Any person aggrieved by this decision has a right to petition for judicial review of this decision as provided in section 227.53 of the Wisconsin Statutes, a copy of which is attached. The petition should be filed in circuit court and served upon the State of Wisconsin Board of Real Estate

within 30 days of service of this decision if there has been no petition for rehearing, or within 30 days of service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition by operation of law of any petition for rehearing.

The 30 day period commences the day after personal service or mailing of the decision or order, or the day after the final disposition by operation of the law of any petition for rehearing. (The date of mailing of this decision is shown below.) A petition for judicial review should be served upon, and name as the respondent, the following: the State of Wisconsin Board of Real Estate.

The date of mailing of this decision is June 26, 1992.